

The complaint

Mr D complains that Lantern Debt Recovery Services Ltd (Lantern) gave him misleading information while discussing settlements for a debt it owns.

What happened

In August 2019 Lantern bought a debt in Mr D's name from the original lender. In January 2021 Mr D contacted Lantern via an online chat facility and asked it for a "full and final" settlement figure. Mr D offered £200 and Lantern agreed to accept but said the debt would be shown as partially satisfied on his credit file.

Mr D complained that the information he was given during the online chat was misleading but Lantern didn't agree. Lantern says it is obliged to report accurate information to the credit reference agencies (CRAs) including whether a debt has been partially settled.

Mr D referred his complaint to this service and it was passed to an investigator. They thought Lantern had dealt with the complaint fairly and didn't ask it to do anything else. Mr D asked to appeal so his complaint has been passed to me to make a decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've reviewed the online chat between Mr D and Lantern. In the chat, Mr D said he wanted to discuss a "full and final" settlement for the outstanding debt. During the chat, only Mr D referred to "full and final" and it wasn't something Lantern mentioned. Mr D asked the advisor to accept £200 and, after checking with their manager, they confirmed that was acceptable. But the advisor quickly explained the debt would show as partially settled on Mr D's credit file.

I'm sorry to disappoint Mr D but I didn't find the information provided by Lantern during the online chat was misleading. At no point did it offer to accept less than the total outstanding balance on the basis that it would amend his credit file to show the debt was fully settled. The advisor confirmed that any kind of discount applied to a settlement it accepts from Mr D would mean it was reported as partially satisfied to the CRAs.

Lantern has confirmed it has to report accurate information to the CRAs and that means it reports partial settlements where made. I'm satisfied that's a fair approach. I haven't found anything that shows Lantern's stance means Mr D has been treated unfairly. As a result, I'm not upholding this complaint or telling Lantern to take any further action.

My final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 5 July 2021.

Marco Manente
Ombudsman